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OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response..... 12.00

SEC FILE NUMBER

8- 66507

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2007 AND ENDING 12/31/2007  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BHARGAVA WEALTH MANAGEMENT, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

609 WHITE PINE ROAD  
(No. and Street)  
FRANKLIN LAKES NJ 07417  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
MARIA FINI (WORK) 914-632-8400 (HOME) 845-238-2815  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

BATHEJA, DIL  
(Name - if individual, state last, first, middle name)  
1 BARBARA PLACE EASTCHESTER NY 10709  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

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FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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## OATH OR AFFIRMATION

I, RAKESH BHARGAVA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BHARGAVA WEALTH MANAGEMENT, LLC, as of DECEMBER 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Rakesh Bhargava  
Signature  
PRESIDENT  
Title

Bettina Choi  
Notary Public  
BETTINA CHOI  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Feb. 8, 2010

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**BHARGAVA WEALTH MANAGEMENT LLC**

Financial Statements and Supplemental Information

For the years ended December 31, 2007 and 2006

(With Independent Auditors' Report Thereon)

# **BHARGAVA WEALTH MANAGEMENT, LLC**

December 31, 2007 and 2006

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**DIL BATHEJA**  
CERTIFIED PUBLIC ACCOUNTANT

1 BARBARA PLACE  
EASTCHESTER, N.Y. 10709

Tele: (914) 536-7506  
Fax: (914)-961-0331

**INDEPENDENT AUDITORS' REPORT**

**To the Member of  
Bhargava Wealth Management, LLC**

We have audited the accompanying statement of financial condition of Bhargava Wealth Management, LLC (the "Company") as of December 31, 2007 and 2006, and the related statements of income, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bhargava Wealth Management, LLC as of December 31, 2007 and 2006 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our Audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York  
March 27, 2008



**BHARGAVA WEALTH MANAGEMENT, LLC****Statement of Financial Condition  
As of December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 102,273	\$ 200,008
Fees Receivable	721,589	412,250
Due from Affiliate	239	239
Prepaid Expenses	326	575
<b>Total Assets</b>	<b>\$ <u>824,427</u></b>	<b>\$ <u>613,072</u></b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 181,491	\$ 12,450
Pension and Retirement Plans	261,391	268,157
	<u>442,882</u>	<u>280,607</u>
<b>MEMBERS' EQUITY</b>	<b>381,545</b>	<b>332,465</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ <u>824,427</u></b>	<b>\$ <u>613,072</u></b>

See accompanying notes to financial Statements.

**BHARGAVA WEALTH MANAGEMENT, LLC****Statement of Income**  
**For the year ended December 31, 2007 and 2006**

	<u>2,007</u>	<u>2006</u>
<b>Revenues:</b>		
Service Fees	\$ 1,093,503	\$ 874,226
Interest Income	197	301
Dividend Income	35,000	0
	<u>1,128,700</u>	<u>874,527</u>
<b>Expenses:</b>		
Employee Compensation and Benefits	437,054	408,120
Legal and Professional Fees	34,864	35,555
Insurance	26,084	18,181
Regulatory Fees	7,893	5,949
Marketing & Finder Fees	171,059	0
Other Expenses	12,666	3,045
	<u>689,620</u>	<u>470,850</u>
Net Income	\$ <u>439,080</u>	<u>403,677</u>

See accompanying notes to financial statements.

**BHARGAVA WEALTH MANAGEMENT, LLC****Statement of Changes in Members' Equity  
For the year ended December 31, 2007**

	<u>Contributed capital</u>	<u>Retained Earnings</u>	<u>Total Members' Equity</u>
Balance at January 1, 2007	\$ (133,675)	\$ 466,140	\$ 332,465
<b>Commencement of Operations:</b>			
Contributions by Members	0	0	0
Distribution to Members	(390,000)	0	(390,000)
Net Income	0	439,080	439,080
Balance at December 31, 2007	\$ <u>(523,675)</u>	\$ <u>905,220</u>	\$ <u>381,545</u>

See accompanying notes to financial statements.



**BHARGAVA WEALTH MANAGEMENT, LLC**

**Statement of Cash Flows**  
**For year ended December 31, 2007 and 2006**

	<u>2,007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Net Income	\$ 439,080	\$ 403,677
Adjustments to reconcile net income to net cash used in Operating Activities:		
Changes in:		
Fees Receivable	(309,339)	(293,896)
Due from affiliate	0	105
Prepaid Expenses	249	(285)
Accounts Payable and Accrued Expenses	169,041	271,607
Pension & Retirement Plans	(6,766)	
Net Cash used in Operating Expenses	<u>(146,815)</u>	<u>(22,469)</u>
Cash flows from financing activities:		
Contributions by Members	0	0
Distributions to Members	(390,000)	(200,000)
Net Cash provided by Financing Activities	<u>(390,000)</u>	<u>(200,000)</u>
Net Increase/( Decrease) in Cash	(97,735)	181,208
Cash at beginning of period	200,008	18,800
Cash at December 31, 2007	\$ <u><u>102,273</u></u>	\$ <u><u>200,008</u></u>

See accompanying notes to financial statements.

# **BHARGAVA WEALTH MANAGEMENT, LLC**

## **Notes to Financial Statements For the Year ended December 31, 2007**

### **Note 1 – Nature of Business**

Bhargava Wealth Management, LLC (“the Company”), a Delaware Limited Liability Company (“LLC”), is a registered broker and dealer in securities under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. (the “NASD”). The Company earns service fees for acting as a marketing and sales representative with respect to solicitations of prospective investors on behalf of its clients. The Company was formed in May 2004 and obtained NASD membership in October 2004.

Prior to the Company’s obtaining NASD membership, its activities consisted solely of preparation for such membership.

### **Note 2 – Summary of Significant Accounting Policies**

#### *Use of Estimates in Financial Statements*

The preparation of financial statements in conformity with accounting principles generally in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### *Revenue Recognition*

Service fees are on a contractual basis with the fee stipulated in the contract and are recognized ratably over the contract period.

#### *Income Taxes*

The members of the LLC are taxed on the Company’s Federal and State taxable income. Accordingly, no provision or liability for Federal or State income taxes has been included in the accompanying financial statements.

## **BHARGAVA WEALTH MANAGEMENT, LLC**

### **Notes to Financial Statements (Continued)**

#### **Note 3 – Net Capital Requirement**

The Company is subject to the Uniform Net Capital requirements of the Securities and Exchange Commission under Rule 15c3-1 (the Rule). The ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1 for the first year of operations and 15 to 1 thereafter. At December 31, 2007, the company had net capital of \$91,114 which was \$79,009 in excess of its required net capital of \$12,105. The Company's net capital ratio was .066 to 1.

#### **Note 4 – Solicitation Agreements**

The Company has entered into solicitation agreements with clients whereby the company earns service fees for acting as a marketing and sales representative with respect to solicitations of prospective investors on behalf of its clients.

With respect to the investors introduced to the clients by the Company, including initial and incremental capital contributions and capital appreciation in the client's account, the clients will pay the Company management fee allocations and incentive fee allocations on the terms in the contracts.

#### **Note 5 – Related Party**

The Company has advanced the cost of subscriptions to two business publications aggregating \$239, for the benefit of an affiliate. In addition, the Company has entered into an expense-sharing agreement with its members whereby the members provide the Company staffing, management services, office facilities and other support services without cost.

**BHARGAVA WEALTH MANAGEMENT, LLC****Computation of Net Capital Under SEC Rule 1 5c3-1  
December 31, 2007****Computation of Net Capital:**

Total Member's Equity	\$ 381,545
Add Discretionary Liabilities:	
Defined Benefit and 401 K Plan	261,391
	<u>642,936</u>
Deduction and /or Charges:	
Nonallowable Assets:	
Fees Receivable	551,257
Dues from affiliate	239
Prepaid Expenses	326
Total Deductions and/or charges	<u>551,822</u>
Net Capital before haircuts on Securities positions	91,114
Haircuts on Securities Positions	0
Net Capital	<u>91,114</u>
Computation of aggregate indebtedness (AI):	
Accounts Payable and other Liabilities	\$ 181,491
Total aggregate indebtedness	<u>\$ 181,491</u>
Computation of Net Capital Requirement:	
Minimum Net Capital Required (Greater of 6 2/3% of AI or \$5,000)	12,105
Excess Net Capital	<u>\$ 79,009</u>
Ratio of AI to Net Capital	.066 to 1

No differences exist between the above computation and the Company's revised Part II FOCUS report.

**BHARGAVA WEALTH MANAGEMENT, LLC**

**Statement Regarding SEC Rule 15c3-3  
December 31, 2007**

**Schedule - 2**

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commissions under subparagraph (k)(2)(i).

**DIL BATHEJA**  
CERTIFIED PUBLIC ACCOUNTANT

1 BARBARA PLACE  
EASTCHESTER, N.Y. 10709

Tele: (914) 536-7506  
Fax: (914)-961-0331

**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL REQUIRED BY SEC RULE 17A-5**

**To the member of  
Bhargava Wealth Management**

In planning and performing our audit of the financial statements and supplemental schedules of Bhargava Wealth Management, LLC (the "Company") for the year ended December 31, 2007, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practice and procedures followed by the company, including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives.

## Continued

Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of the inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by the employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and regulated regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007, to meet the commission's objectives.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of the Member, the SEC, the National Association of Securities Dealers, Inc. and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be used by anyone other than these specified parties.

New York  
March 27, 2008

**END**